

June 11, 2003

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**DANA M. SMITH**  
EXECUTIVE OFFICER

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Proposed "*Rancho Santiago/Cully Drive Annexation to the City of Orange*" (IA 03-03) - Three islands  
"*Canal/Heim/Delia Annexation to the City of Orange*" (IA 03-04) – Three islands  
"*Eastern Islands Annexation to the City of Orange*" (IA 03-05) – Five islands

## INTRODUCTION

On February 20, 2003, the City of Orange filed three separate applications with LAFCO to annex 11 small county island areas within its sphere of influence. The island annexation applications referenced in this report include the *Rancho Santiago/Cully Drive*, *Canal/Heim/Delia*, and *Eastern Islands annexations*.

Together, they collectively encompass approximately 186 acres of unincorporated territory consisting of 364 dwelling units and over 1109 residents.

The applications were submitted as part of the Unincorporated Islands Program. Approval of the 11 annexations would more than double the number of small island annexations approved by the Commission to date. The following is a report on the proposals including a description and discussion of:

- Present and proposed land uses
- Municipal services
- Key Issues
- Recommendations

## LOCATION/LAND USE

The 11 non-contiguous islands are predominately located in eastern and northwestern sections of Orange. The County General Plan designation for all the territories is Suburban Residential. The City's General Plan designation is Single Family Residential. Surrounding land uses for all 11 islands is existing residential development.

On January 28, 2003, the City adopted pre-zoning for the annexation territories. The proposed City zoning is generally consistent with existing County zoning designations. In some instances, uses in the County are considered to be non-conforming by the City. All of the current non-conforming uses have been grandfathered and will be allowed to remain once annexed. When a property changes ownership, the City zoning requirements in effect at that time will apply.

Below is a more detailed explanation of each application grouping, including land use and the general location of each island within the group.

### **Rancho Santiago/Cully Drive Islands:**

The Rancho Santiago/Cully Drive islands application consists of three islands totaling 62.4 acres, 129 housing units and 369 residents. The general location, individual acreage, general land use designation and City zoning classification for these islands are as follows: (Please see Attachment 1 for a vicinity map.)

- *Cully Drive island* is generally located east of Batavia Street, north of Southern Avenue and west of Pacific Street. The island is nine acres and the land use is Single Family Residential (R1-12)
- *Rancho Santiago island* is generally located east of Rancho Santiago Boulevard, south of Glen Albyn Lane and north of Bond Avenue. The island is 44 acres and the land use is Single Family Residential (R1-20, R1-15)
- *Bond Avenue island* is generally located west of Ranchroad Drive, east of Rancho Santiago Boulevard and south of Bond Avenue. The island covers nine acres and the land use is Single Family Residential (R1-10)



### **Canal/Heim/Delia Islands:**

The Canal/Heim/Delia islands application group includes three islands totaling 74.4 acres. The islands are fully built-out and contain 203 housing units and 643 residents. The general location, individual acreage, general land use designation and City zoning classification for these islands are as follows: (Please see Attachment 2 for a vicinity map.)

- *Canal Street island* is generally located west of Canal Street, north of St. James Avenue and south of Boom Avenue. The island covers three acres and the land use is Single Family Residential (R1-10)
- *Heim Avenue/Fellows Drive island* is generally located west of Northumberland Road, south of Heim Avenue and east of Orange/Olive Road. The island's size is 13 acres and the land use is Single Family Residential (R1-10)
- *Delia/Loretta Drive island* is generally located east of the Costa Mesa (55) freeway, west of Wheeler Place, north of Burdie Lane, and south of Dorothy Drive. The island covers 58 acres and the land use is Single Family Residential (R1-7)

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"Rancho Santiago/Cully Drive Annexation to the City of Orange" (IA 03-03)

"Canal/Heim/Delia Annexation to the City of Orange" (IA 03-04)

"Eastern Islands Annexation to the City of Orange" (IA 03-05)

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### **Eastern Islands:**

The Eastern Islands application group includes five small islands covering 49.6 acres. The islands contain 32 housing units and 97 residents. The general location, individual acreage, general land use designation and City zoning classification for these islands are as follows: (Please see Attachment 3 for a vicinity map.)

- *Windes/Lewis Drive island* is generally located east of Windes Drive and north and south of Lewis Drive. The island covers 22 acres and the land use is Single Family Residential (R1-40)
- *Santiago Canyon island* is generally located east of Santiago Canyon Road and north of Holy Sepulcher Cemetery. The island is 23 acres and the land use is Single Family Residential (R1-40)
- *Calle Baja island* is generally located west of Calle Baja, north of Orange Hill Terrace and east of Chapman Avenue. The island covers a 0.6 acre area and the land use is Single Family Residential (R1-20)
- *Wimbleton Court islands (2)* are generally located north of Wimbleton Court and east of Old Chapman Avenue. The islands each cover two acres in area and the land use is for both islands is Single Family Residential (R1-20)



### **MUNICIPAL SERVICES**

Once annexed, the subject territories will receive police and fire, street maintenance and repair, landscape and street lighting maintenance, street sweeping, parks and recreation, planning, building, and general government services directly from the City.

#### ***Police***

The Orange County Sheriff's Department currently provides police protection services to the subject islands on a per call basis. The officers are based at the Sheriff's headquarters in Santa Ana.

Traffic enforcement and accident investigation are currently provided by the California Highway Patrol (CHP) at minimum levels and without active patrol units.

Upon annexation, residents within the Orange islands will experience a significant increase in the level of police services, including 24-hour patrol, quicker response times, and active traffic enforcement and accident investigation. The Orange Police Department also offers variety of crime prevention services to City residents including the Neighborhood Watch program and a Vacation Check program where volunteers monitor homes while residents are away on vacation.

### ***Fire***

The Orange County Fire Authority (OCFA) currently provides fire protection services to the subject areas. Once annexed, fire protection and paramedic services will be the responsibility of the City for which the City will receive 100 percent of the Structural Fire Fund revenue generated from property taxes for the areas. Additionally the Orange Fire Department offers City residents and businesses the option to participate in a voluntary paramedic subscription program. For a \$36 annual fee, program subscribers incur no additional cost for paramedic services and/or emergency 9-1-1 transportation.

### ***Water and Sewer***

Orange Park Acres Mutual, Southern California Water Company and City of Orange Water Department will continue as the service providers for water. For the properties in the annexation areas currently on septic systems, the City is not requiring connection to sewer as a condition of annexation. Sewer service is currently provided by the Orange County Sanitation District and City of Orange Public Works as the wholesale and retail service providers respectively and will remain so after annexation. Please see the services chart below.

<i>Service</i>	<i>Current Provider</i>	<i>Post Annexation</i>
<b><i>Police</i></b>	OC Sheriff	Orange Police Department
<b><i>Fire/Paramedic</i></b>	OCFA	Orange Fire Department
<b><i>Animal Control</i></b>	Orange County	No Change
<b><i>Sewer Collection</i></b>	Orange County Sanitation Dist. City of Orange Public Works	No Change
<b><i>Water</i></b>	So Cal Water Co. Orange Park Acres Mutual City of Orange Water Dept.	No Change
<b><i>Public Works</i></b>	Orange County	City of Orange

## **KEY ISSUES**

### ***Eliminating Small Islands***

Annexation of the 11 unincorporated small islands to the City of Orange represents the largest annexation effort for a single City since the small islands annexation program began in January 2001. Successfully annexing these islands to the Orange would increase the total number of small island annexations to 20, which represents 40 percent of the 50 small islands targeted for the annexation under the Unincorporated Islands program.

### *Infrastructure Needs*

The County and the City entered into a pre-annexation agreement in January 2002 which included the stipulation that upon completion of the annexation of all 11 small islands, the County would transfer \$1.5 in road funds to the City to address island-related infrastructure improvements and maintenance.

### *Land Use*

These annexation applications represent the culmination of extensive outreach conducted with island residents over a period of seven months. LAFCO conducted two multiple-island community outreach meetings during which common themes surfaced including land use and code enforcement. Residents expressed particular concern over a perceived loss of their "rural" lifestyle if annexed to the City. A smaller, self-selected resident committee was formed out of those meetings to gather input from and act on behalf of their neighbors to identify issues and concerns about annexation and prioritize them for resolution with the City. Staff generated a matrix of specific resident issues and concerns and worked with the City to resolve each item on the matrix. Many land use and zoning concerns were alleviated by clarifying the City's intent to apply zoning consistent with the County zoning and grandfather in non-conforming uses. Six follow-up meetings were conducted with the resident committee until all identified issues were resolved.

### **ENVIRONMENTAL REVIEW**

Pursuant to CEQA, on January 28<sup>th</sup>, 2003 the City adopted a Negative Declaration for the rezoning and annexation of all 11 islands included in the previously referenced applications. The Commission, as a responsible agency, may utilize this documentation in its consideration of the proposed annexation. The Negative Declaration is attached for your Commission's review. (Please see Attachment 4.)

### **REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)**

LAFCO's existing RHNA policy provides the Commission with the option of transferring RHNA allocations from the County to a city as a condition of approval upon annexation. Because the RHNA transfer process has become problematic for LAFCO and has resulted in the delay of several key annexations, including the subject annexation, LAFCO staff has requested that the Orange County Council of Governments (OCCOG) revisit the RHNA transfer issue and work with LAFCO toward developing a revised process that better meets the needs of the County and Orange County cities. To avoid further delays with the subject annexation, staff is recommending that the Commission not impose a RHNA transfer condition on the subject project.

### **PROPERTY TAX**

Both the City of Orange and the County of Orange have adopted resolutions agreeing to the application of the master property tax exchange agreement between the City and the County adopted in 1980.

### **RECOMMENDATIONS**

Staff recommends that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the information contained within the Negative Declaration prepared by the City of Orange.
2. Adopt the forms of resolutions approving the proposed: "Rancho Santiago/Cully Drive Annexation to the City of Orange" (IA 03-03); Canal/Heim/Delia Annexation to the City of Orange" (IA 03-04); and "Eastern Islands Annexation to the City of Orange" (IA 03-05) subject to the following terms and conditions:
  - a) Payment of Recorder and State Board of Equalization fees.
  - b) Prior to the issuance of the Certificate of Completion by the Executive Officer, the City shall adopt a resolution (or accept the following condition) adopting the area of benefit and agreeing to participate in the Foothill/Eastern Transportation Corridor fee program including collecting fees as required by the fee program and depositing said fees together with earned interest on a quarterly basis with the Transportation Corridor Agency. (*RE: IA 03-03 Rancho Santiago area only*)
  - c) Upon the effective date of annexation, the City shall assume ownership and maintenance responsibilities for all drainage devices, flood control channels and appurtenant facilities, site drainage, and all master plan storm drain facilities that are presently operated and maintained by the County of Orange. If there are any OCFCD owned and operated facilities for which OCFCD has fee title or an easement for flood control purposes (i.e. not a floodplain easement) these will continue to be operated and maintained by OCFCD.
  - d) Upon effective date of annexation, the City shall accept and adopt the County Master Plan of Drainage (MPD) that is in effect for this area. Any deviation from the MPD shall be submitted to the Manager of the Flood Control Division, County of Orange, Public Facilities and Resources Department for review of conformity with the General Plans of the OCFCD and the County of Orange.
  - e) Upon effective date of annexation, the City shall be responsible for the administration of floodplain zoning and Federal Emergency Management Agency (FEMA) floodplain regulations within the City's boundaries.
  - f) Upon effective date of annexation, the City shall coordinate development adjacent to any existing flood control facilities in which OCFCD has a recorded flood control easement or owns fee interest, by submitting plans and specifications to the Manager of the Flood Control Division, County of Orange, Public Facilities and Resources Department, for review, to ensure necessary flood control right-of-way and improvements are provided and to ensure that improvements comply with standards and engineering criteria of OCFCD.
  - g) Upon the effective date of annexation, all right, title and interest of the County, including the underlying fee title where owned by the County in any and all sidewalks, trails, landscaped areas, open space, street lights, signals, storm drains, and bridges shall vest in the city, except for those properties to be retained by the County and specifically listed by these conditions.
  - h) Upon effective date of annexation, (*RE: IA 03-04*), the City shall accept the operation and maintenance responsibilities of the La Veta Storm Drain (Facility No. E08P01) from its confluence with Santiago Creek to James Street, except the portion

located within the Caltrans right-of-way. OCFCD will then relinquish its right-of-way for this facility to the City.

- i) Upon the effective date of annexation, the City shall be the owner of, and responsible for all of the following property owned by the County: public roads, adjacent slopes, street lights, traffic signals and storm drains within street right-of-way, and any appurtenant slopes, medians and other adjacent property.
- j) The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- k) The effective date shall be the date of recordation

Respectfully Submitted,

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DANA M. SMITH

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KIM A. KOEPPEN

Attachments: Attachment 1, IA 03-03 Vicinity Map  
Attachment 2, IA 03-04 Vicinity Map  
Attachment 3, IA 03-05 Vicinity Map  
Attachment 4, Negative Declaration